

ARTICLE XII

TOBACCO SETTLEMENT RECEIPTS

From receipts collected pursuant to the Comprehensive Tobacco Settlement Agreement and Release and other funding sources, and pursuant to House Bills 1676 and 1945, the Seventy-sixth Legislature, 1999, hereby makes the following appropriations for the 2000–01 biennium:

TOBACCO SETTLEMENT RECEIPTS

	For the Years Ending	
	August 31, 2000	August 31, 2001
A. Goal: TOBACCO SETTLEMENT RECEIPTS		
Appropriations Made from Tobacco Settlement Receipts		
A.1.1. Strategy: UT M.D. ANDERSON CENTER The University of Texas M.D. Anderson Cancer Center	\$ 10,000,000	\$ U.B.
A.1.2. Strategy: BAYLOR UNIV MEDICAL CENTER-DALLAS Texas Higher Education Coordinating Board for a Contract With Baylor University Medical Center in Dallas, Pursuant to HB 1945	\$ 1,000,000	\$ U.B.
A.1.3. Strategy: CHILDREN'S HEALTH INS PROGRAM Children's Health Insurance Program	\$ 35,800,000	\$ 143,800,000 & U.B.
A.1.4. Strategy: MHMR NEW GENERATION MEDICATION Department of Mental Health and Mental Retardation New Generation Medications	\$ 30,500,000	\$ U.B.
A.1.5. Strategy: TEXAS HEALTHY KIDS FUND/CORP Texas Healthy Kids Fund/Corporation	\$ 3,000,000	\$ U.B.
A.1.6. Strategy: TDH ADDL DEPNDNT CHILDREN WAIVERS Department of Health-Additional Medically Dependent Children's Program Waiver Services	\$ 4,700,000	\$ 4,300,000 & U.B.
A.1.7. Strategy: TDH CHILDREN'S IMMUNIZATIONS Department of Health-Immunizations for Children	\$ 5,400,000	\$ U.B.
A.1.8. Strategy: TDH NEWBORN HEARING SCREENING Department of Health Newborn Hearing Screening	\$ 1,700,000	\$ 1,100,000 & U.B.
A.1.9. Strategy: COMMUNITY MH CHILDREN'S SVCS Department of Mental Health and Mental Retardation - Mental Health Community Services for Children.	\$ 7,500,000	\$ 7,500,000 & U.B.
A.1.10. Strategy: RESPITE CARE Interagency Council on Early Childhood Intervention - Respite Care	\$ 1,000,000	\$ U.B.

TOBACCO SETTLEMENT RECEIPTS
(Continued)

A.1.11. Strategy: DHS - CLASS WAIVER Department of Human Services - CLASS Waiver	\$ 12,000,000	\$ U.B.
A.1.12. Strategy: MHMR HOME/COMMUNITY SERVICES WAIVER Department of Mental Health and Mental Retardation - Home and Community-based Services Waiver.	\$ 4,800,000	\$ U.B.
A.1.13. Strategy: CHEST HOSPITALS Department of Health	<u>\$ 35,000,000</u>	<u>\$ U.B.</u>
Total, Goal A: TOBACCO SETTLEMENT RECEIPTS	<u>\$ 152,400,000</u>	<u>\$ 156,700,000</u>

B. Goal: PERMANENT FUNDS
Appropriations made from Permanent Funds Created by HB
1676 and HB 1945

B.1.1. Strategy: MINORITY HEALTH RESEARCH/ EDUCATION Out of the Permanent Fund for Minority Health Research and Education to Texas Higher Education Coordinating Board. Estimated.	\$ 1,250,000	\$ 1,250,000
B.1.2. Strategy: TOBACCO EDUCATION AND ENFORCEMENT Out of the Permanent Fund for Tobacco Education and Enforcement to the Texas Department of Health. Estimated.	\$ 10,000,000	\$ 10,000,000
B.1.3. Strategy: CHILDREN & PUBLIC HEALTH Out of the Permanent Fund for Children and Public Health to the Texas Department of Health. Estimated.	\$ 5,000,000	\$ 5,000,000
B.1.4. Strategy: EMS AND TRAUMA CARE Out of the Permanent Fund for Emergency Medical Services and Trauma Care to the Texas Department of Health. Estimated.	\$ 5,000,000	\$ 5,000,000
B.1.5. Strategy: RURAL HEALTH FACILITY CAPITAL Out of the Permanent Fund for Rural Health Facility Capital Improvement to the Center for Rural Health Initiatives. Estimated.	\$ 2,500,000	\$ 2,500,000
B.1.6. Strategy: SMALL URBAN HOSPITALS Out of the Community Hospital Capital Improvement Fund to the Texas Department of Health. Estimated.	\$ 1,250,000	\$ 1,250,000
B.1.7. Strategy: HLTH-RELATED HIGHER ED INSTITUTIONS Out of the Permanent Health Fund for Higher Education to the Health- related Institutions of Higher Education listed as recipients of the fund. Estimated.	\$ 17,500,000	\$ 17,500,000
B.1.8. Strategy: NURSING, ALLIED HLTH FUND Out of the Permanent Fund for Higher Education Nursing, Allied Health and Other Health-related Programs to the Texas Higher Education Coordinating Board. Estimated.	<u>\$ 2,250,000</u>	<u>\$ 2,250,000</u>
Total, Goal B: PERMANENT FUNDS	<u>\$ 44,750,000</u>	<u>\$ 44,750,000</u>

C. Goal: ENDOWMENT FUNDS-HIGHER EDUCATION
Appropriations to the Following Institutions of Higher
Education from Endowment Funds Established for the
Following Institutions of Higher Education

TOBACCO SETTLEMENT RECEIPTS
(Continued)

C.1.1. Strategy: UTHSC - SAN ANTONIO The University of Texas Health Science Center at San Antonio. Estimated.	\$	10,000,000	\$	10,000,000
C.1.2. Strategy: UTMDA CANCER CENTER The University of Texas M.D. Anderson Cancer Center. Estimated.	\$	5,000,000	\$	5,000,000
C.1.3. Strategy: UTSWMC - DALLAS The University of Texas Southwestern Medical Center at Dallas. Estimated.	\$	2,500,000	\$	2,500,000
C.1.4. Strategy: UT MED BRANCH - GALVESTON The University of Texas Medical Branch at Galveston. Estimated.	\$	1,250,000	\$	1,250,000
C.1.5. Strategy: UTHSC - HOUSTON The University of Texas Health Science Center at Houston. Estimated.	\$	1,250,000	\$	1,250,000
C.1.6. Strategy: UTHC - TYLER The University of Texas Health Center at Tyler. Estimated.	\$	1,250,000	\$	1,250,000
C.1.7. Strategy: UT - EL PASO The University of Texas at El Paso. Estimated.	\$	1,250,000	\$	1,250,000
C.1.8. Strategy: TAMUS HEALTH SCIENCE CENTER Texas A&M University System Health Science Center. Estimated.	\$	1,250,000	\$	1,250,000
C.1.9. Strategy: UNT HEALTH SCIENCE CENTER-FT WORTH The University of North Texas Health Science Center at Fort Worth. Estimated.	\$	1,250,000	\$	1,250,000
C.1.10. Strategy: TTUHSC (EL PASO) Texas Tech University Health Sciences Center (El Paso). Estimated.	\$	1,250,000	\$	1,250,000
C.1.11. Strategy: TTUHSC - (OTHER THAN EL PASO) Texas Tech University Health Sciences Center (Other Than El Paso). Estimated.	\$	1,250,000	\$	1,250,000
C.1.12. Strategy: BAYLOR COLLEGE OF MEDICINE Texas Higher Education Coordinating Board for the Baylor College of Medicine. Estimated.	\$	1,250,000	\$	1,250,000
C.1.13. Strategy: LOWER RIO GRANDE VAL RAHC Out of the Permanent Endowment Fund Created for the Lower Rio Grande Valley Regional Academic Health Center Endowment to the Lower Rio Grande Valley Regional Academic Health Center. Estimated.	\$	<u>1,000,000</u>	\$	<u>1,000,000</u>
Total, Goal C: ENDOWMENT FUNDS-HIGHER EDUCATION	\$	<u>29,750,000</u>	\$	<u>29,750,000</u>
Grand Total, TOBACCO SETTLEMENT RECEIPTS	\$	<u><u>226,900,000</u></u>	\$	<u><u>231,200,000</u></u>

TOBACCO SETTLEMENT RECEIPTS
(Continued)

Method of Financing:

General Revenue - Dedicated - Earnings from Tobacco Settlement Receipt Funds	\$	74,500,000	\$	74,500,000
General Revenue - Dedicated - Tobacco Settlement Receipts		<u>152,400,000</u>		<u>156,700,000</u>
Total, Method of Financing	\$	<u>226,900,000</u>	\$	<u>231,200,000</u>

1. **Informational Listing - Tobacco Settlement Receipts.** Appropriations made above in Goal A are made from tobacco settlement receipts; appropriations made above in Goal B are from earnings from funds established by House Bill 1676 and House Bill 1945; appropriations made in Goal C are from earnings from funds established by House Bill 1945. The following is an informational listing of the distribution of tobacco settlement receipts authorized by the Seventy-sixth Legislature, and does not make appropriations.

	For the Years Ending		
	August 31,	August 31,	
	2000	2001	
TOBACCO SETTLEMENT RECEIPTS			
Permanent Health Fund for Higher Education	\$ 350,000,000	\$	U.B.
Permanent Fund for Children and Public Health	\$ 100,000,000	\$	U.B.
Permanent Fund For Tobacco Education and Enforcement	\$ 200,000,000	\$	U.B.
Children’s Health Insurance Program	\$ 35,800,000	\$ 143,800,000	& U.B.
The University of Texas Health Science Center at San Antonio Endowment	\$ 200,000,000	\$	U.B.
Permanent Fund for Emergency Medical Services and Trauma Care	\$ 100,000,000	\$	U.B.
Permanent Fund for Rural Health Facility Capital Improvement (Rural Hospital Infrastructure)	\$ 50,000,000	\$	U.B.
The University of Texas M.D. Anderson Cancer Center Endowment	\$ 100,000,000	\$	U.B.
The University of Texas M.D. Anderson Cancer Center	\$ 10,000,000		U.B.
Texas Tech University Health Sciences Center (Border Health Institute - El Paso)	\$ 25,000,000	\$	U.B.
The University of Texas Southwestern Medical Center at Dallas Endowment	\$ 50,000,000	\$	U.B.
Texas Tech University Health Sciences Center Endowment (Other Than El Paso)	\$ 25,000,000	\$	U.B.

TOBACCO SETTLEMENT RECEIPTS
(Continued)

The University of Texas Medical Branch at Galveston Endowment	\$	25,000,000	\$	U.B.
The University of Texas Health Science Center at Houston Endowment	\$	25,000,000	\$	U.B.
The University of Texas Health Science Center at Tyler Endowment	\$	25,000,000	\$	U.B.
Texas A&M University Health Science Center Endowment	\$	25,000,000	\$	U.B.
University of North Texas Health Science Center at Fort Worth Endowment	\$	25,000,000	\$	U.B.
Lower Rio Grande Valley Regional Academic Health Center	\$	20,000,000	\$	U.B.
University of Texas -El Paso Border Health	\$	25,000,000	\$	U.B.
Baylor College of Medicine	\$	25,000,000	\$	U.B.
Permanent Fund For Higher Education Nursing, Allied Health and Other Health Related Programs	\$	45,000,000	\$	U.B.
Permanent Fund for Minority Health Research and Education	\$	25,000,000	\$	U.B.
Community Hospital Capital Improvement Fund (Small Urban Hospitals)	\$	25,000,000	\$	U.B.
Texas Association of School Boards Risk Management Fund (Group Health Benefits)	\$	5,000,000	\$	U.B.
Texas Municipal League Group Benefits Management Pool	\$	10,000,000	\$	U.B.
Department of Mental Health and Mental Retardation (New Generation Medication)	\$	30,500,000	\$	U.B.
Chest Hospitals	\$	35,000,000	\$	U.B.
Interagency Council on Early Childhood Intervention - Respite Care	\$	1,000,000	\$	U.B.
Department of Health - Newborn Hearing Screening	\$	1,700,000	\$	1,100,000 & U.B.
Department of Health - Immunizations	\$	5,400,000	\$	U.B.
Department of Health - Additional Medically Dependent Children's Waiver Services	\$	4,700,000	\$	4,300,000 & U.B.
Department of Human Services - CLASS Waiver	\$	12,000,000	\$	U.B.

TOBACCO SETTLEMENT RECEIPTS
(Continued)

Department of Mental Health and Mental Retardation Home and Community Services Waiver	\$	4,800,000	\$	U.B.
Department of Mental Health and Mental Retardation Children’s Mental Health	\$	7,500,000	\$	7,500,000 & U.B.
Healthy Kids Corp	\$	3,000,000	\$	U.B.
Baylor University Medical Center at Dallas	\$	<u>1,000,000</u>	\$	<u>U.B.</u>
Grand Total,		<u>\$ 1,657,400,000</u>		<u>\$ 156,700,000</u>

2. **Estimated Appropriation - Higher Education Funds.** The estimated amounts appropriated above in Strategies B.1.1., B.1.7., B.1.8., and Goal C are out of amounts available for distribution or investment returns out of the Permanent Health Fund for Higher Education, the Permanent Fund for Higher Education Nursing, Allied Health and Other Health-Related Programs, the Permanent Fund for Minority Health Research and Education and the Permanent Funds for Health-Related Institutions. Amounts available for distribution or investment returns in excess of the amounts estimated above are also appropriated to the specified agency or institution.
3. **Estimated Appropriation.** The estimated amounts appropriated above in Strategies B.1.2., B.1.3., B.1.4., B.1.5., and B.1.6. are out of available earnings of the Permanent Fund for Tobacco Education and Enforcement, the Permanent Fund for Children and Public Health, the Permanent Fund for Rural Health Facility Capital Improvement, the Permanent Fund for Emergency Medical Services and Trauma Care, and the Community Hospital Capital Improvement Fund (Small Urban Hospitals). Available earnings in excess of the amounts estimated above are appropriated to the specified recipient of the available earnings of the fund in applicable law.
4. **Appropriation for Health Insurance Coverage for Dependent Children of Certain State Employees.** Contingent upon passage of SB 1351 or similar legislation relating to the state’s contribution for dependent children of certain state employees, a portion of funds appropriated above in Strategy A.1.3. shall be transferred to the Employees Retirement System to implement the provisions of that Act.
5. **Allocation of Funds for Children’s Health Insurance Program.** Out of the funds appropriated above, in Strategy A.1.3., Children’s Health Insurance Program pursuant to SB 445, necessary amounts are appropriated to the Health and Human Services Commission for the purpose of allocation among agencies involved in the Children’s Health Insurance Program.
6. **Contingency for House Bill 1676.** The appropriation of funds made above in Strategies B.1.2., Tobacco Education and Enforcement, B.1.3., Children and Public Health, B.1.4., EMS and Trauma Care, B.1.5., Rural Health Facility Capital, and B.1.6., Small Urban Hospitals, is hereby made contingent upon the enactment of HB 1676, or similar legislation relating to the creation of new funds and various programs relating to public health and related activities, by the Seventy-sixth Legislature, Regular Session. Funds appropriated in these items may be transferred by an agency to appropriate strategies within the agency’s bill pattern for the purpose of implementing House Bill 1676. In no event may the administrative costs to implement the provisions of the bill exceed three percent. Grants and program costs must compose at least 97 percent of the expenditures to implement the provisions of the bill. Out of the appropriation from the Permanent Fund for Tobacco Education and Enforcement, the Texas

TOBACCO SETTLEMENT RECEIPTS

(Continued)

Department of Health may reimburse members of an advisory committee related to the Permanent Fund for Tobacco Education and Enforcement if the department appoints an advisory committee.

7. **Home and Community Services Waiver.** It is the intent of the Legislature that the Department of Mental Health and Mental Retardation use \$4,800,000 in tobacco funds appropriated above and associated federal funds for the Home and Community Services (HCS) Waiver Program to serve the individuals that are not currently served in any other Medicaid waiver program and that have been on the HCS waiting list for the longest time statewide. Other Home and Community Services Waiver appropriations made in Article II of this Act may be allocated according to the department's equity formulas to serve the individuals that have been on the waiting list longest within a particular service area.
8. **Limitations.** Appropriations made in this Article are governed by the limitations and reporting requirements otherwise provided by this Act and other law.
9. **Contingency for House Bill 1748 and House Bill 3504.** The appropriation of funds made above in Item A.1.13., Chest Hospitals, is hereby made contingent upon the enactment of both House Bill 1748, relating to the construction and operations of the Texas Center for Infectious Disease, or similar legislation and House Bill 3504, relating to the long-range plan for the South Texas Hospital, or similar legislation, by the Seventy-sixth Legislature, Regular Session. Funds appropriated in that item may be transferred to the appropriate strategies in the Department of Health bill pattern, by the Department of Health for the purpose of implementing both bills. The Department of Health shall make a determination as to how the funds are to be allocated between the projects described in the two bills and provide this plan to the Legislative Budget Board and the Governor by September 1, 1999. This appropriation is also made contingent upon approval of the plan for distribution of the funds between the projects by the Legislative Budget Board and the Governor. Also contingent on the enactment of House Bill 3504, or similar legislation, the "Number of Full-time Equivalent Positions (FTE)" figure indicated for the Department of Health, Article II of this Act, is hereby decreased by 51 for fiscal year 2001.
10. **Limitation on Use of Funds.** State agencies and institutions of higher education that are appropriated funds from the receipts collected pursuant to the Comprehensive Tobacco Settlement Agreement and Release shall submit a budget by November 1, 1999 to the Legislative Budget Board and the Governor. This budget shall describe the purposes and amounts for which such funds will be expended by the state agency or institution of higher education. No funds described in this budget may be expended by the state agency or institution of higher education until the Legislative Budget Board and the Governor receive the budget.

**RECAPITULATION - ARTICLE XII
TOBACCO SETTLEMENT RECEIPTS
(General Revenue - Dedicated)**

	For the Years Ending August 31, 2000	August 31, 2001
Tobacco Settlement Receipts	\$ 226,900,000	\$ 231,200,000
TOTAL, ARTICLE XII - Tobacco Settlement Receipts	\$ 226,900,000	\$ 231,200,000

**RECAPITULATION - ARTICLE XII
TOBACCO SETTLEMENT RECEIPTS
(All Funds)**

	For the Years Ending August 31, 2000	August 31, 2001
Tobacco Settlement Receipts	\$ 226,900,000	\$ 231,200,000
TOTAL, ARTICLE XII - Tobacco Settlement Receipts	\$ 226,900,000	\$ 231,200,000